GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:108
ANSWERED ON:01.08.2005
INTEGRATION OF STEEL UNITS
Owaisi Shri Asaduddin;Reddy Shri Magunta Sreenivasulu

Will the Minister of STEEL be pleased to state:

(a) whether, on the lines of oil and bank sectors, the Government proposes to merge all the Steel Public Sector Undertakings (PSUs) with the Steel Authority of India Limited (SAIL);

(b) if so, the details thereof;

(c) the objective behind merging of the steel PSUs;

(d) whether the Government has proposed to write off all the debts of steel PSUs before merging them with SAIL;

(e) if so, the details thereof ;

(f) whether interests of the employees have been protected/proposed to be protected before and after merger of these PSUs;

(g) if so, the details thereof ; and

(h) the extent to which this merger is likely to increase the steel production in the country?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)to(h): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (H) OF THE LOK SABHA STARRED QUESTION NO. 108 TO BE ANSWERED ON 01/08/2005 TABLED BY SHRI ASADUDDIN OWAISI AND SHRI MAGUNTA SREENIVASULU REDDY MEMBERS OF PARLIAMENT REGARDING INTEGRATION OF STEEL UNITS

(a)&(b): The Government has approved the merger of Indian Iron and Steel Company Limited (IISCO), a wholly owned subsidiary of Steel Authority of India Limited (SAIL) with SAIL. SAIL will take over all obligations, rights and liabilities of IISCO, including its permanent employees without any interruption in their services. There is no other formal proposal at present for merger of Steel Public Sector Undertakings (PSUs) with SAIL.

(c) Merger with SAIL will provide the much needed investments in IISCO to improve its performance. Also, there would be optimum utilization of raw materials available with both SAIL and IISCO.

(d)&(e): No debts of IISCO have been written off in the approved process of merger

(f)&(g): While approving merger of IISCO with SAIL, the interests of the employees have been protected and they will in fact benefit by way of improved pay/wages on the lines of SAIL.

(h) There would be no additional capacity added to SAIL as IISCO is a subsidiary of SAIL.